

and, if eligible, shall be paid the overseas recruitment and retention differential provided for in section 1217 of this Act."

(b) SAVINGS PROVISIONS.—Nothing in this section shall be considered to affect—

(1) the tenure of the individual serving as Deputy Administrator of the Commission on the day before subsection (a) takes effect; or

(2) until modified under section 1104(b) of the Panama Canal Act of 1979, as amended by subsection (a), the compensation of the individual so serving.

SEC. 3525. OFFICE OF OMBUDSMAN.

Section 1113 (22 U.S.C. 3623) is amended by striking subsection (d) and redesignating subsection (e) as subsection (d).

**SEC. 3526. APPOINTMENT AND COMPENSATION; DUTIES.**

Section 1202 (22 U.S.C. 3642) is amended to read as follows:

"APPOINTMENT AND COMPENSATION; DUTIES

"SEC. 1202. (a) In accordance with this chapter, the Commission may appoint, fix the compensation of, and define the authority and duties of officers and employees (other than the Administrator and Deputy Administrator) necessary for the management, operation, and maintenance of the Panama Canal and its complementary works, installations, and equipment.

"(b) Individuals serving in any Executive agency (other than the Commission) or the Smithsonian Institution, including individuals in the uniformed services, may, if appointed under this section or section 1104 of this Act, serve as officers or employees of the Commission."

**SEC. 3527. APPLICABILITY OF CERTAIN BENEFITS.**

Section 1209 (22 U.S.C. 3649) is amended to read as follows:

"APPLICABILITY OF CERTAIN BENEFITS

"SEC. 1209. Chapter 81 of title 5, United States Code, relating to compensation for work injuries, chapters 83 and 84 of such title 5, relating to retirement, chapter 87 of such title 5, relating to life insurance, and chapter 89 of such title 5, relating to health insurance, are applicable to Commission employees, except any individual—

"(1) who is not a citizen of the United States;

"(2) whose initial appointment by the Commission occurs after October 1, 1979; and

"(3) who is covered by the Social Security System of the Republic of Panama pursuant to any provision of the Panama Canal Treaty of 1977 and related agreements."

**SEC. 3528. TRAVEL AND TRANSPORTATION.**

Section 1210 (22 U.S.C. 3650) is amended to read as follows:

"TRAVEL AND TRANSPORTATION

"SEC. 1210. (a) Subject to subsections (b) and (c),  
the Commission may pay travel and transportation expenses  
for employees in accordance with subchapter II of chapter 57 of  
title 5, United States Code.